

BASIC FINANCIAL STATEMENTS

CITY OF EUREKA
STATEMENT OF NET ASSETS
June 30, 2007

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 11,109,492	\$ 4,379,252	\$ 15,488,744
Accounts receivable	3,650,245	3,711,299	7,361,544
Interest receivable	662,975	67,095	730,070
Prepaid items	37,655	112,629	150,284
Notes and loans receivable	8,014,903		8,014,903
Internal balances	(5,815,458)	5,815,458	
Land held for resale	4,613,178		4,613,178
Restricted cash and investments with fiscal agents	218	2,431,672	2,431,890
Restricted cash and investments		181,171	181,171
Deferred charges, net of accumulated amortization	738,855	1,117,914	1,856,769
Capital assets, not being depreciated	30,999,730	18,449,598	49,449,328
Capital assets, being depreciated, net of accumulated depreciation	<u>45,154,917</u>	<u>58,730,717</u>	<u>103,885,634</u>
Total Assets	<u>99,166,710</u>	<u>94,996,805</u>	<u>194,163,515</u>
LIABILITIES			
Accounts payable	1,680,064	705,204	2,385,268
Deposits payable	48,500	131,491	179,991
Accrued interest payable	189,030	326,104	515,134
Claims and judgments payable	391,382		391,382
Compensated absences, due within one year	667,547	137,985	805,532
Payroll and related liabilities	940,735	76,492	1,017,227
Bonds payable - due within one year		615,000	615,000
Capital lease obligations due within one year	307,284	354,794	662,078
Notes payable - due within one year	100,000	66,175	166,175
Noncurrent liabilities:			
Compensated absences	298,695	311	299,006
Bonds payable	15,250,000	16,793,655	32,043,655
Capital leases	1,344,037	2,164,901	3,508,938
Notes payable		<u>2,336,205</u>	<u>2,336,205</u>
Total Liabilities	<u>21,217,274</u>	<u>23,708,317</u>	<u>44,925,591</u>
NET ASSETS			
Invested in capital assets, net of related debt	59,992,180	58,399,172	118,391,352
Restricted for:			
Public safety	360,547		360,547
Streets and roads	615,192		615,192
Projects		2,612,843	2,612,843
Housing	13,564,799		13,564,799
Airport	203,584		203,584
Unrestricted	<u>3,213,134</u>	<u>10,276,472</u>	<u>13,489,606</u>
Total Net assets	<u>\$ 77,949,436</u>	<u>\$ 71,288,487</u>	<u>\$ 149,237,923</u>

The notes to the basic financial statements are an integral part of this statement

**CITY OF EUREKA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Grants Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 3,681,651	\$ 1,702,342	\$ 258,123	\$ -
Public safety	11,583,891	609,765	554,274	
Community development	4,606,187	445,116	1,166,983	146,937
Culture - recreation	2,472,534	446,885		
Public works	5,025,214	106,727	41,902	1,792,697
Interest on long-term debt	2,007,686			
Unallocated depreciation	2,065,839			
Total Governmental	<u>31,443,002</u>	<u>3,310,835</u>	<u>2,021,282</u>	<u>1,939,634</u>
Business-type activities:				
Water	4,304,934	5,280,355		
Wastewater	5,323,328	4,668,237		
Harbor	1,324,716	560,880		
Building	562,867	394,603		
Transit	1,801,921	1,508,536		890,000
Golf	21,205	19,780		
Total Business-type Activities	<u>13,338,971</u>	<u>12,432,391</u>		
Total	<u>\$ 44,781,973</u>	<u>\$ 15,743,226</u>	<u>\$ 2,021,282</u>	<u>\$ 1,939,634</u>

General Revenues:

Property taxes
Sales taxes
Transient occupancy tax
Utility user's tax
Business license tax
Permits and franchise tax
Investment income
Other interest income
Motor vehicle in-lieu, unrestricted
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net assets - beginning of fiscal year

Prior period adjustments

Net Assets - beginning of fiscal year, restated

Net Assets - end of fiscal year

The notes to the basic financial statements are an integral part of this statement

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,721,186)	\$ -	\$ (1,721,186)
(10,419,852)		(10,419,852)
(2,847,151)		(2,847,151)
(2,025,649)		(2,025,649)
(3,083,888)		(3,083,888)
(2,007,686)		(2,007,686)
(2,065,839)		(2,065,839)
<u>(24,171,251)</u>		<u>(24,171,251)</u>
	975,421	975,421
	(655,091)	(655,091)
	(763,836)	(763,836)
	(168,264)	(168,264)
	596,615	596,615
	<u>(1,425)</u>	<u>(1,425)</u>
	(16,580)	(16,580)
<u>(24,171,251)</u>	<u>(16,580)</u>	<u>(24,187,831)</u>
5,891,831		5,891,831
9,767,022		9,767,022
1,587,382		1,587,382
1,334,370		1,334,370
279,589		279,589
820,889		820,889
1,947,578	513,009	2,460,587
52,570		52,570
1,908,795		1,908,795
263,469		263,469
(270,630)	270,630	
<u>23,582,865</u>	<u>783,639</u>	<u>24,366,504</u>
<u>(588,386)</u>	<u>767,059</u>	<u>178,673</u>
75,745,822	73,622,350	149,368,172
<u>2,792,000</u>	<u>(3,100,922)</u>	<u>(308,922)</u>
<u>78,537,822</u>	<u>70,521,428</u>	<u>149,059,250</u>
<u>\$ 77,949,436</u>	<u>\$ 71,288,487</u>	<u>\$ 149,237,923</u>

**CITY OF EUREKA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2007**

	General	Housing	Low and Moderate Income Housing
ASSETS			
Cash and investments	\$ 584,250	\$ 478,338	\$ 3,356,189
Cash and investments with fiscal agents			
Accounts receivable	2,322,860	280,860	4,339
Interest receivable	10,587	6,352	40,232
Prepaid items	17,655		
Notes and loans receivable		2,565,618	4,998,354
Advances to other funds	4,854,076	101,355	
Land held for resale			
Total Assets	<u>\$ 7,789,428</u>	<u>\$ 3,432,523</u>	<u>\$ 8,399,114</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 791,730	\$ 20,371	\$ 6,383
Due to other funds			
Notes payable		100,000	
Deposits payable	48,500		
Payroll and related liabilities	718,960	1,699	4,726
Deferred revenue	254,605	2,596,177	4,998,354
Advances from other funds	101,355		
Total Liabilities	<u>1,915,150</u>	<u>2,718,247</u>	<u>5,009,463</u>
Fund Balances:			
Reserved for parking	28,000		
Reserved for prepaid items	17,655		
Reserved for low/moderate income housing			3,389,651
Reserved for advances	4,854,076	101,355	
Reserved for land held for resale			
Reserved for debt service			
Unreserved reported in:			
General fund	974,547		
Special revenue funds		612,921	
Capital projects funds			
Debt service funds			
Total Fund Balances	<u>5,874,278</u>	<u>714,276</u>	<u>3,389,651</u>
Total Liabilities and Fund Balances	<u>\$ 7,789,428</u>	<u>\$ 3,432,523</u>	<u>\$ 8,399,114</u>

The notes to the basic financial statements are an integral part of this statement

Redevelopment Agency Debt Service	Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 854,817	\$ 820,672	\$ 1,441,603	\$ 7,535,869
		218	218
149,927	30,874	857,981	3,646,841
3,110	27,527	11,123	98,931
	450,931		17,655
	4,613,178		8,014,903
			4,955,431
			4,613,178
<u>\$ 1,007,854</u>	<u>\$ 5,943,182</u>	<u>\$ 2,310,925</u>	<u>\$ 28,883,026</u>
\$ 175,086	\$ 57,042	\$ 323,796	\$ 1,374,408
		372,767	372,767
			100,000
			48,500
		7,554	732,939
143,611	450,931	493,348	8,937,026
<u>10,296,767</u>			<u>10,398,122</u>
<u>10,615,464</u>	<u>507,973</u>	<u>1,197,465</u>	<u>21,963,762</u>
			28,000
			17,655
			3,389,651
			4,955,431
	4,613,178		4,613,178
		218	218
			974,547
		1,113,242	1,726,163
	822,031		822,031
(9,607,610)			(9,607,610)
<u>(9,607,610)</u>	<u>5,435,209</u>	<u>1,113,460</u>	<u>6,919,264</u>
<u>\$ 1,007,854</u>	<u>\$ 5,943,182</u>	<u>\$ 2,310,925</u>	<u>\$ 28,883,026</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EUREKA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENTS OF NET ASSETS
June 30, 2007

Fund balances of governmental funds \$ 6,919,264

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds Balance Sheet because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Funds Balance Sheet.

Capital assets	\$ 139,600,084	
Less: accumulated depreciation	<u>(63,445,437)</u>	76,154,647

Deferred charges represent costs associated with the issuance of long-term debt which are deferred and amortized over the period during which the debt is outstanding. The costs are reported as expenditures of current financial resources in the governmental funds.

Deferred charges	1,006,204	
Less: accumulated amortization	<u>(267,349)</u>	738,855

Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.

(189,030)

The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.

Compensated absences	(966,246)	
Net pension obligation	(185,798)	
Bonds payable	(15,250,000)	
Capital lease payable	<u>(1,651,321)</u>	(18,053,365)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. (net capital assets, capital lease payable, compensated absences payable, and accrued interest payable reported above in the amount of \$1,742,960, \$131,464, \$47,466 and \$3,567 respectively.)

2,918,197

In governmental funds, other long-term assets include accounts receivable and interest receivable on taxes and accounts receivable are not available to pay for current-period expenditures, and therefore, are offset by deferred revenue.

8,937,026

In governmental funds, other long-term assets are not available to pay for current-period expenditures:

Interest receivable on loans receivable		<u>523,842</u>
---	--	----------------

Net assets of governmental activities

\$ 77,949,436

The notes to the basic financial statements are an integral part of this statement

**CITY OF EUREKA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2007**

	General	Housing	Low and Moderate Income Housing
REVENUES			
Taxes	\$ 14,304,228	\$ -	\$ -
Licenses, permits, and fees	820,889		
Fines and penalties	176,083		
Investment income	241,608	62,755	411,998
Intergovernmental	2,513,908	128,351	
Charges for services	2,912,188	399,495	
Other revenues	246,509		3,530
Total Revenues	<u>21,215,413</u>	<u>590,601</u>	<u>415,528</u>
EXPENDITURES			
Current:			
General government	3,650,520		
Public safety	11,986,142		
Public works	2,955,949		
Community development	519,458	1,077,501	2,011,595
Culture and recreation	2,159,016		
Capital outlay	1,386,393		
Debt service:			
Principal payments	148,183		
Interest and fiscal charges	59,918		
Total Expenditures	<u>22,865,579</u>	<u>1,077,501</u>	<u>2,011,595</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,650,166)</u>	<u>(486,900)</u>	<u>(1,596,067)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	350,000	150,000	949,453
Transfers out	(249,153)	(138,329)	
Proceeds from capital lease	1,119,079		
Total Other Financing Sources (Uses)	<u>1,219,926</u>	<u>11,671</u>	<u>949,453</u>
Net Change in Fund Balances	<u>(430,240)</u>	<u>(475,229)</u>	<u>(646,614)</u>
Fund Balances, beginning of fiscal year	6,888,499	3,558,604	7,107,327
Prior Period Adjustments	<u>(583,981)</u>	<u>(2,369,099)</u>	<u>(3,071,062)</u>
Fund Balances, beginning of fiscal year, restated	<u>6,304,518</u>	<u>1,189,505</u>	<u>4,036,265</u>
Fund Balances, end of fiscal year	<u>\$ 5,874,278</u>	<u>\$ 714,276</u>	<u>\$ 3,389,651</u>

The notes to the basic financial statements are an integral part of this statement

Redevelopment Agency Debt Service	Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 4,127,070	\$ -	\$ -	\$ 18,431,298
			820,889
			176,083
65,785	147,357	823,095	1,752,598
14,536		1,625,094	4,281,889
		111,718	3,423,401
			250,039
<u>4,207,391</u>	<u>147,357</u>	<u>2,559,907</u>	<u>29,136,197</u>
			3,650,520
		381,197	12,367,339
		36,986	2,992,935
1,055,668	42,801	115,135	4,822,158
175,087			2,334,103
	1,766,707	1,604,990	4,758,090
			148,183
<u>1,119,537</u>	<u></u>	<u>678,343</u>	<u>1,857,798</u>
<u>2,350,292</u>	<u>1,809,508</u>	<u>2,816,651</u>	<u>32,931,126</u>
<u>1,857,099</u>	<u>(1,662,151)</u>	<u>(256,744)</u>	<u>(3,794,929)</u>
			1,527,976
(949,453)	(100,000)	(350,000)	(1,786,935)
			1,119,079
<u>(949,453)</u>	<u>(100,000)</u>	<u>(271,477)</u>	<u>860,120</u>
<u>907,646</u>	<u>(1,762,151)</u>	<u>(528,221)</u>	<u>(2,934,809)</u>
<u>(13,929,851)</u>	<u>7,768,323</u>	<u>1,680,766</u>	<u>13,073,668</u>
<u>3,414,595</u>	<u>(570,963)</u>	<u>(39,085)</u>	<u>(3,219,595)</u>
<u>(10,515,256)</u>	<u>7,197,360</u>	<u>1,641,681</u>	<u>9,854,073</u>
<u>\$ (9,607,610)</u>	<u>\$ 5,435,209</u>	<u>\$ 1,113,460</u>	<u>\$ 6,919,264</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF EUREKA
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES **\$ (2,934,809)**

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated lives and reported as depreciation expense.

Capital outlay expenditures, not including internal service funds, are therefore added back to fund balances	\$ 2,810,737	
Depreciation expense not reported in governmental funds	<u>(2,790,691)</u>	20,046

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the Statement of Net Assets, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal	148,183	
Amortization of deferred charges	(71,293)	
Reduction in net pension obligation	959,909	
Proceeds from issue of capital lease	<u>(1,119,079)</u>	(82,280)

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Interest payable	(72,406)	
Compensated absences	(147,684)	
Accounts receivable	<u>2,036,248</u>	1,816,158

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements		52,570
---	--	--------

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		<u>539,929</u>
--	--	----------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (588,386)</u></u>
--	--	----------------------------

The notes to the basic financial statements are an integral part of this statement

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2007**

ASSETS	Enterprise Funds		
	Water	Wastewater	Harbor
Current Assets:			
Cash and investments	\$ 3,548,286	\$ 415,587	\$ -
Cash and investments with fiscal agents	2,223,409	208,263	
Accounts receivable - net	1,114,346	728,411	88,264
Interest receivable	19,057	46,589	1,449
Prepaid items		19,003	93,625
Due from other funds	372,767	2,905,164	
Total current assets	7,277,865	4,323,017	183,338
Noncurrent Assets:			
Restricted cash and investments			181,171
Deferred charges, net of amortization	991,497	126,417	
Advances to other funds	429,069	5,039,370	
Total noncurrent assets	1,420,566	5,165,787	181,171
Capital Assets:			
Nondepreciable			
Land	1,052,115	4,720,542	5,157,957
Construction in progress	2,791,103	4,180,419	30,347
Total nondepreciable capital assets	3,843,218	8,900,961	5,188,304
Depreciable			
Infrastructure	9,906,433	4,272,484	
Buildings	178,271	5,810,652	4,646,614
Improvements	4,679,936	18,903,716	10,577,025
Equipment	13,134,146	31,814,858	1,093,823
Total depreciable capital assets	27,898,786	60,801,710	16,317,462
Less accumulated depreciation	(8,328,425)	(33,925,893)	(5,584,688)
Net depreciable capital assets	19,570,361	26,875,817	10,732,774
Total capital assets, net	23,413,579	35,776,778	15,921,078
Total capital and noncurrent assets	24,834,145	40,942,565	16,102,249
Total Assets	32,112,010	45,265,582	16,285,587

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ 271,852	\$ -	\$ 143,527	\$ 4,379,252	\$ 3,573,624
			2,431,672	
30,023	1,750,255		3,711,299	3,405
			67,095	40,202
			112,628	20,000
			3,277,931	
<u>301,875</u>	<u>1,750,255</u>	<u>143,527</u>	<u>13,979,877</u>	<u>3,637,231</u>
			181,171	
			1,117,914	
			5,468,439	
			6,767,524	
		418,075	11,348,689	
		99,040	7,100,909	
		517,115	18,449,598	
			14,178,917	
		50,244	10,685,781	429,246
		243,087	34,403,764	42,399
63,450	3,366,821		49,473,098	7,058,498
63,450	3,366,821	293,331	108,741,560	7,530,143
(17,168)	(1,950,596)	(204,073)	(50,010,843)	(5,787,183)
46,282	1,416,225	89,258	58,730,717	1,742,960
46,282	1,416,225	606,373	77,180,315	1,742,960
46,282	1,416,225	606,373	83,947,839	1,742,960
<u>348,157</u>	<u>3,166,480</u>	<u>749,900</u>	<u>97,927,716</u>	<u>5,380,191</u>

(Continued)

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2007
 (Continued)**

LIABILITIES	Enterprise Funds		
	Water	Wastewater	Harbor
Current Liabilities:			
Accounts payable	\$ 267,475	\$ 300,053	\$ 70,722
Deposits payable	131,491		
Due to other funds			1,087,414
Accrued interest payable	203,381		122,723
Claims and judgments payable			
Notes payable			66,175
Bonds payable	435,000	110,000	70,000
Capital lease payable, current portion	354,794		
Compensated absences, current portion	37,068	68,421	9,754
Payroll and related liabilities	23,470	36,811	5,588
Total current liabilities	1,452,679	515,285	1,432,376
Noncurrent Liabilities:			
Capital lease payable	2,164,901		
Notes payable			2,336,205
Advances from other funds			25,748
Bonds payable	12,653,655	3,510,000	630,000
Compensated absences			
Total noncurrent liabilities	14,818,556	3,510,000	2,991,953
Total Liabilities	16,271,235	4,025,285	4,424,329
NET ASSETS			
Investment in capital assets, net of related debt	11,020,136	32,491,458	12,818,698
Restricted for projects	2,223,409	208,263	181,171
Unrestricted	2,597,230	8,540,576	(1,138,611)
Total Net Assets	\$ 15,840,775	\$ 41,240,297	\$ 11,861,258

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ 9,480	\$ 53,630	\$ 3,844	\$ 705,204	\$ 305,654
	1,817,750		131,491	
			2,905,164	
			326,104	3,567
			66,175	391,382
			615,000	
			354,794	64,421
21,265	1,477		137,985	33,338
9,408	1,215		76,492	21,998
<u>40,153</u>	<u>1,874,072</u>	<u>3,844</u>	<u>5,318,409</u>	<u>820,360</u>
			2,164,901	67,043
			2,336,205	
			25,748	
			16,793,655	
	311		311	14,128
	311		21,320,820	81,171
<u>40,153</u>	<u>1,874,383</u>	<u>3,844</u>	<u>26,639,229</u>	<u>901,531</u>
46,282	1,416,224	606,374	58,399,172	1,611,496
			2,612,843	
<u>261,722</u>	<u>(124,127)</u>	<u>139,682</u>	<u>10,276,472</u>	<u>2,867,164</u>
<u>\$ 308,004</u>	<u>\$ 1,292,097</u>	<u>\$ 746,056</u>	<u>\$ 71,288,487</u>	<u>\$ 4,478,660</u>

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
 For the Fiscal Year Ended June 30, 2007**

	Enterprise Funds		
	Water	Wastewater	Harbor
Operating Revenues:			
Charges for services	\$ 5,205,017	\$ 4,050,982	\$ 560,880
Other operating revenues	75,338	3,157	
Intergovernmental		614,098	
Total Operating Revenues	<u>5,280,355</u>	<u>4,668,237</u>	<u>560,880</u>
Operating Expenses:			
Purchase of water	961,553		
Maintenance and operations	1,171,994	1,287,784	619,720
Administration	1,022,662	2,301,345	94,799
Insurance costs and claims	59,329	130,412	51,665
Depreciation	405,874	1,481,799	368,521
Total Operating Expenses	<u>3,621,412</u>	<u>5,201,340</u>	<u>1,134,705</u>
Operating Income (Loss)	<u>1,658,943</u>	<u>(533,103)</u>	<u>(573,825)</u>
Non-Operating Revenues (Expenses):			
Investment income	180,836	302,419	
Interest expense	(683,522)	(121,988)	(190,011)
Total Non-Operating Income (Loss)	<u>(502,686)</u>	<u>180,431</u>	<u>(190,011)</u>
Income (Loss) Before Transfers and Capital Contributions	1,156,257	(352,672)	(763,836)
Transfers in			100,000
Transfers out			
Capital Contributions			
Change in Net Assets	<u>1,156,257</u>	<u>(352,672)</u>	<u>(663,836)</u>
Net Assets, beginning of fiscal year	14,701,230	44,701,727	12,500,546
Prior Period Adjustments	(16,712)	(3,108,758)	24,548
Net Assets, beginning of fiscal year, restated	<u>14,684,518</u>	<u>41,592,969</u>	<u>12,525,094</u>
Net Assets, end of fiscal year	<u>\$ 15,840,775</u>	<u>\$ 41,240,297</u>	<u>\$ 11,861,258</u>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities- Internal Service Funds
Building	Transit	Golf	Totals	
\$ 327,900	\$ 321,063	\$ 19,780	\$ 10,485,622	\$ 4,332,460
34,093			112,588	444,491
32,610	1,187,473		1,834,181	
394,603	1,508,536	19,780	12,432,391	4,776,951
			961,553	
465,122	1,573,011	2,051	5,119,682	1,808,046
71,085	24,460	5,963	3,520,314	1,027,471
19,998	77,807	1,220	340,431	1,578,623
6,662	120,025	11,971	2,394,852	352,867
562,867	1,795,303	21,205	12,336,832	4,767,007
(168,264)	(286,767)	(1,425)	95,559	9,944
21,081		8,673	513,009	194,981
	(6,618)		(1,002,139)	(6,190)
21,081	(6,618)	8,673	(489,130)	188,791
(147,183)	(293,385)	7,248	(393,571)	198,735
55,630	115,000		270,630	(11,671)
	890,000		890,000	
(91,553)	711,615	7,248	767,059	187,064
399,557	580,482	738,808	73,622,350	4,329,671
			(3,100,922)	(38,075)
399,557	580,482	738,808	70,521,428	4,291,596
\$ 308,004	\$ 1,292,097	\$ 746,056	\$ 71,288,487	\$ 4,478,660

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2007**

	Enterprise Funds		
	Water	Wastewater	Harbor
Cash Flows from Operating Activities:			
Receipts from customers/interfund charges	\$ 4,941,368	\$ 4,709,360	\$ 506,219
Payments to suppliers and users	(2,529,599)	(2,180,118)	(488,463)
Payments to employees	(607,457)	(1,546,776)	(231,107)
Net Cash Provided (Used) by Operating Activities	<u>1,804,312</u>	<u>982,466</u>	<u>(213,351)</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers in (out)			100,000
Advances to/from other funds	(340,371)	(889,787)	69,624
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(340,371)</u>	<u>(889,787)</u>	<u>169,624</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisitions of capital assets	(3,449,977)	(2,291,555)	
Interest paid	(623,628)	(161,009)	(196,267)
Principal payments - long-term debt	(402,024)	(155,678)	(227,887)
Proceeds from issuance of long-term debt	2,519,694		
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,955,935)</u>	<u>(2,608,242)</u>	<u>(424,154)</u>
Cash Flows from Investing Activities:			
Interest received	195,484	295,337	
Net Cash Provided (Used) by Investing Activities	<u>195,484</u>	<u>295,337</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	(296,510)	(2,220,226)	(467,881)
Cash and Cash Equivalents, July 1, 2006	<u>6,068,205</u>	<u>2,844,076</u>	<u>649,052</u>
Cash and Cash Equivalents, June 30, 2007	<u>\$ 5,771,695</u>	<u>\$ 623,850</u>	<u>\$ 181,171</u>
Reconciliation of Cash and Cash Equivalents To Statement of Net Assets			
Cash and investments	\$ 3,548,286	\$ 415,587	\$ -
Cash and investments with fiscal agents	2,223,409	208,263	
Restricted cash and investments			181,171
Total Cash and Cash Equivalents	<u>\$ 5,771,695</u>	<u>\$ 623,850</u>	<u>\$ 181,171</u>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ 371,874	\$ 656,236	\$ 19,780	\$ 11,204,837	\$ 4,778,625
(174,128)	(1,639,501)	(5,389)	(7,017,198)	(3,325,389)
(357,229)	(29,941)		(2,772,510)	(875,046)
(159,483)	(1,013,206)	14,391	1,415,129	578,190
55,630	115,000		270,630	(11,672)
	1,817,749		657,215	
55,630	1,932,749		927,845	(11,672)
	(1,066,468)	(26,283)	(6,834,283)	(284,378)
	(6,618)		(987,522)	(2,623)
12,962			(772,627)	(68,784)
			2,519,694	
12,962	(1,073,086)	(26,283)	(6,074,738)	(355,785)
	1,810	10,256	502,887	191,876
	1,810	10,256	502,887	191,876
(90,891)	(151,733)	(1,636)	(3,228,877)	402,609
362,743	151,733	145,163	10,220,972	3,171,015
<u>\$ 271,852</u>	<u>\$ -</u>	<u>\$ 143,527</u>	<u>\$ 6,992,095</u>	<u>\$ 3,573,624</u>
\$ 271,852	\$ -	\$ 143,527	\$ 4,379,252	\$ 3,573,624
			2,431,672	
			181,171	
<u>\$ 271,852</u>	<u>\$ -</u>	<u>\$ 143,527</u>	<u>\$ 6,992,095</u>	<u>\$ 3,573,624</u>

(Continued)

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2007
 (Continued)**

	Enterprise Funds		
	Water	Wastewater	Harbor
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 1,658,943	\$ (533,103)	\$ (573,825)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	405,874	1,481,799	368,521
(Increase) Decrease in Operating Assets:			
Accounts receivable	(338,987)	38,453	(54,662)
Increase (Decrease) in Operating Liabilities:			
Accounts payable	54,894	(50,265)	39,834
Compensated absences	23,588	45,582	6,781
Claims and judgments payable	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,804,312</u>	<u>\$ 982,466</u>	<u>\$ (213,351)</u>

Noncash Transactions

Amortization of Deferred Charges	\$53,125	\$6,020	\$ -
----------------------------------	----------	---------	------

During the fiscal year a new lease was initiated by the water fund for the purchase of new water meters. The principal amount of lease payable at June 30,2007 was \$2,519,394.

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ (168,264)	\$ (286,767)	\$ (1,425)	\$ 95,559	\$ 9,944
6,662	120,025	11,971	2,394,852	352,867
(22,729)	(852,299)		(1,230,224)	1,674
10,074	4,747	3,845	63,129	82,635
14,774	1,088		91,813	(15,687)
				146,757
<u>\$ (159,483)</u>	<u>\$ (1,013,206)</u>	<u>\$ 14,391</u>	<u>\$ 1,415,129</u>	<u>\$ 578,190</u>
\$ -	\$ -	\$ -	\$ 59,145	\$ 118,290

CITY OF EUREKA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2007

	Agency Fund	Trust Funds	
		Pension Fire and Police Pension Benefits Plan	Private-Purpose Haz/Mat Response Authority
	<u>Trust Holding</u>		
ASSETS			
Cash and investments	\$ 288,270	\$ 907,404	\$ 93,273
Interest receivable		10,587	
Other receivable		364,320	
Accounts receivable	66,299	2,166	1,375
	<u>354,569</u>	<u>1,284,477</u>	<u>94,648</u>
Total Assets			
	354,569		
LIABILITIES			
Accounts payable	35,853		
Deposits payable	318,716		
	<u>354,569</u>		
Total Liabilities			
	354,569		
Net Assets			
Held in trust for pension benefits and other purposes		<u>1,284,477</u>	<u>94,648</u>
Total Net Assets	<u>\$ -</u>	<u>\$ 1,284,477</u>	<u>\$ 94,648</u>

The notes to the basic financial statements are an integral part of this statement

CITY OF EUREKA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2007

	Trust Funds	
	Pension Fire and Police Pension Benefits Plan	Private-Purpose Haz/Mat Response Authority
ADDITIONS		
Contributions:		
Employer JPA members	\$ 425,000	\$ -
Investment earnings:		
Investment income	63,744	5,188
Total Additions	<u>488,744</u>	<u>66,116</u>
DEDUCTIONS		
Public safety Benefits		60,928
Administrative expenses	459,235 13,675	
Total Deductions	<u>472,910</u>	<u>60,928</u>
Change in net assets	<u>15,834</u>	<u>5,188</u>
Net assets - beginning of fiscal year	904,323	89,460
Prior Period Adjustments	<u>364,320</u>	
Net assets, beginning of fiscal year, restated	<u>1,268,643</u>	<u>89,460</u>
Net assets - end of fiscal year	<u>\$ 1,284,477</u>	<u>\$ 94,648</u>

The notes to the basic financial statements are an integral part of this statement

THIS PAGE INTENTIONALLY LEFT BLANK